

August 9, 2023

The Honorable Martin Glenn
Chief Judge
United States Bankruptcy Court
Southern District of New York

Re: Support for Objections to Adequacy of Disclosure Statement and Request for CEL
Token Class Formation -Case No. 22-10964 (MG). Doc 3118 and 3084

Dear Judge Glenn,

I am writing to plead that you grant one of the motions submitted seeking for a CEL Token Class to be formed with its fees to be paid for by the estate.

I previously wrote you a letter prior to the hearing of Mr. Caceres motion that all CEL claims be valued at \$.81. In that letter, I requested that you grant his motion or in the alternative, support the formation of a CEL Token Class. In that letter, I made mention (in part) that:

The UCC is predominately comprised of individuals with zero CEL claims against the estate and for those few with CEL claims, CEL represents an extremely small percentage of their overall claim.

CEL claimants have zero representation in this process. We are forced to rely on pro se motions and letters to the judge to make our case. This is akin to, as the saying goes, of "bringing a knife to gun fight." Only worse. This is more like sending in a bunch of toddlers with plastic baseball bats to engage in battle against hardened Navy Seals. It is an ongoing slow motion slaughter. The only thing that can possibly even the playing field, is our system of justice and the fair minded judgement of Your Honor.

The UCC members have negligible personal interests in CEL. ANY CEL claim that is approved, dilutes their own personal recovery. So with practically unlimited financial resources at their disposal, they hired one of the largest, best law firms in the world, White & Case, and unleashed it's mighty army of bankruptcy attorneys and unfairly directed the complete force of this juggernaut against non-insider CEL claimants.

While you dismissed the aforementioned Motion without prejudice, I believe that you heard our cries for help. To my ears, it seemed readily apparent that you hoped for settlement, had no idea what CEL was worth but believed CEL holders should receive a fair fight. To my amazement, when you asked the White & Case attorney as well as the Kirkland attorney if they agreed, their answers were unanimous.

Everyone agreed that this should be a 'fair fight.'

My heart rejoiced. No individual has the resources to finance such a fight alone. Only through an official CEL class with fees paid by the estate, can a pathway to a fair and equitable fight be forged. But a motion needed to be filed seeking that a CEL class be formed, and now it has.

To my knowledge, I believe that every other class and ad hoc group reached settlement that their attorneys' fees were to be paid for by the estate. (Including Series B). So this request is effectively no different. I would think that the UCC, Kirkland, as well as White & Case will remain true to their word, that they personally made to Your Honor, that this should be a 'fair fight' because to do any less, to go back on their word, that they made to you, in your courtroom, needlessly risks any goodwill that they and their law firms have established with you over the years. But I am skeptical. The UCC and White & Case have displayed such an irrational disdain for CEL and its claimants (Aaron Colodny has said that this is personal to him), that I can imagine that they will use their soft, silky voices, and fancy legal jargon to make some form of objection or silly straw man style argument, all the while claiming that they are both still true to their word to you and that a CEL class should not be formed (even though it is now painfully obvious this is the only way to make that fair fight happen). I suspect that they are so desperate in their irrationality, that logic and self-preservation of goodwill with Your Honor are insufficient motivators to stop them from attempting to deny to CEL token claimants the benefit that so many others creditors have received. I could be wrong, but I strongly suspect they will be against this CEL Class Motion in some form or other, which would only serve to confirm what we've been saying regarding their disingenuous, tyrannical behavior towards CEL claimants.

Should there be any concerns regarding whether CEL claims are frivolous or without merit, I'd like to briefly highlight the following:

- 1) The UCC and White & Case offer a \$.20 per CEL 'settlement' under the premise that this represents the fair market value of CEL. I humbly ask, does it remotely pass the sniff test that CEL's fair market value on 7/13/22 when the platform has \$5.5B in crypto assets and hundreds of thousands of users is the exact same as during the ICO when the platform had ZERO assets and ZERO users? (network effect is the basis for the enormous market values of networks like Facebook, Amazon, Netflix, Apple, Google, etc).
- 2) The UCC and its attorneys have claimed that this 'settlement' figure represents all issues, including whether or not CEL can be declared a security. As we've mentioned before, all of earn could be a security. If this is the case, then everyone is a security. Series B, CEL and Earn, plus whomever else- are all securities. And we're all equal. Maybe that's best and most fair to all? I honestly don't know. But if we are to have a fair fight, shouldn't the CEL class be able to counter the UCC's security argument, whether it be in Court or settlement discussions, with the assistance of comparably skilled and experienced counsel at our disposal?

One of my fears is that White & Case + Kirkland, are currently utilizing their incomprehensibly vast knowledge of procedural tactics, so that CEL claimants lose out on one argument or another, that we inexperienced bankruptcy noobs, were unaware even existed. But I recognize that it could also be the case that the offer of \$.20 is actually fair. While I am doubtful, I am not blinded to the possibility that this is the case. However, only through discussions with independent battle hardened bankruptcy counsel can we ever possibly know and be protected against the procedural minefield that we are blindly crawling our way over now. Because of all the above, I fear games are being played and time is of the essence.

CEL claimants did not ask for this fight. The UCC and its attorneys have forced this upon us. Not because they had to. Not because they were forced by some law or case precedent. They forced this upon us for the same reasons as does the school room bully. Because they could. Because they wanted to. They thought we could not fight back. They saw an easy victim they could beat up. And so they did.

If the UCC and White & Case wish to harm CEL claims to the benefit the estate, then the estate should finance a fair fight. They should not be able to utilize all resources of the estate to support the majority of creditor claims against a minority. I do not believe this is how our Country should work. We should protect our Minorities against the power of the Majority. This was not a battle that we asked for. It was forced upon us against our will. We desperately seek your help so that we may have a 'fair fight' against our schoolroom bully and even the playing field.

I thank you so much, for your time and consideration of this matter.

Peter Juiris